**HON'BLE SRI JUSTICE L. NARASIMHA REDDY**

**W.P.NO. 2981 OF 2007**

Between:

R. Subba Raju

… Petitioner

and

The Government of A.P. (Projects), Andhra Area, Irrigation and CAD Dept, and others

… Respondents

**HON'BLE SRI JUSTICE L. NARASIMHA REDDY**

**W.P.No. 2981 of 2007**

**ORAL ORDER:**

The petitioner is a Special Class Contractor registered with the Government of Andhra Pradesh. He was entrusted with the work of formation of Earth dam from Ch.96.25 mts to 500 mts of Peddagedda Reservoir Project, Kesali village, Pachipenta Mandal, Vizianagaram District.

The agreement entered into between the petitioner and the respondents for the said work, provides for duduction of seigniorage fee payable on the quantity of earth, used in the work. When the contract was entered into, the seigniorage fee payable under the A.P. Minor Mineral Concession Rules, 1966 for earth, was at Rs.13/- per unit of a cubic metre. After the agreement came into force, the rate was enhanced to Rs.20/- per unit.

The respondents started deducting the amount of seigniorage fee at the rate of Rs.20/- per unit rate. The petitioner

contended that the estimates of the works were prepared by taking the seigniorage fee at Rs.13/- per unit and there does not exist any basis for collecting the same at a higher rate. He made a representation to the 2nd respondent herein. Through a letter dated 13.12.2006, the 2nd respondent informed the petitioner that the seigniorage fee was being deducted according to the terms of the agreement, and the notification issued by the 1st respondent-Government from time to time, and that his request cannot be acceded to. The same is challenged in this writ petition.

The petitioner contends that having regard to the burden that is caused to the contractors on account of the deduction of seigniorage fee at higher rates, the 1st respondent-Government referred the matter to a Committee of Chief Engineers, and that the Committee recommended revision of the estimates, taking into account, the seigniorage fee at the prevailing rate. He complains that such a benefit was not extended to him.

Reliance is placed upon certain orders through which the 1st respondent-Government itself extended the benefit by revised rates of seigniorage fee.

Heard the learned counsel for the petitioner and the learned Government Pleader for Irrigation.

It is true that the Government itself referred the matter in relation to the balancing of the increase in the rate of seigniorage

fee, vis-à-vis the works entrusted to contractors, to a Committee of Chief Engineers and the said Committee suggested a course of action. The petitioner has also drawn the attention of this court to certain instances, where the Government extended such benefits to some contractors. It is too difficult for this court, to decide as to whether the petitioner stands on the same footing or whether he is entitled for the said benefit.

The petitioner can certainly make a representation to the 1st respondent drawing its attention to the recommendation of the Committee of Chief Engineers as well as the instances if any, in which benefit was extended. The 1st respondent can be required to dispose of the representation within a reasonable time.

Therefore, the writ petition is disposed of, directing that it shall be open to the petitioner to make a representation as to the grievance about the deduction of seigniorage fee at enhanced rates on earth vis-à-vis the contract awarded to him, and the 1st respondent shall consider it and pass appropriate orders, within 4 weeks from the date of receipt of the same. No costs.

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**JUSTICE L. NARASIMHA REDDY**

Date: 22/3/2007
Note: CC in four days.
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cvm.